GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department – Extension of certain incentives under AP Aero Space and Defence Policy 2015-2020 under Anchor Unit Status to M/s Grob Machine Tools India Pvt. Ltd., as a special case that the project is expected to generate high quality employment for 400 graduates/engineers and will add significant value to the Aerospace and Defence Sector in Andhra Pradesh – Proposal considered - Orders-Issued.

INDUSTRIES & COMMERCE (POLICY&INVESTMENT) DEPARTMENT

G.O.MS.No. 93 Dated: 13-08-2018
Read the following:-

(1) G.O.Ms.No.36, Ind. & Com. (IP&INF) Dept., dt.29-4- 2015
(2) G.O.Ms.No.54, Ind. & Com. (P&I) Dept., dt.23-7-2015
(3) Lr. No. Nil, dated 11/04/2018, 04/05/2018 of the Managing Director, M/s Grob Machine Tools India Pvt. Ltd.,
(4) State Investment Promotion Committee Meeting on 29.05.2018
(5) State Investment Promotion Board Meeting on 12.06.2018

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ORDER:

In the G.O. 1st read above, Government have declared Industrial Development Policy 2015-20 for development of Industrial Sector in the State.

2. In the G.O. 2nd read above, Government have introduced Aerospace and Defence Manufacturing Policy, 2015-20 for development of Aerospace and Defence Industry in the State.

3. In the reference 3rd read above, M/s Grob Machine Tools India Pvt. Ltd., Hyderabad, has proposed to establish a world class machine tools manufacturing plant at Industrial Park Gudipalli (V), Somandepalli (M), Ananthapuram District in Andhra Pradesh with an investment of Rs.304 Crores and with a potential to create direct employment to 400 persons and 650 persons indirectly, in three phases. The proposed plant stated to be its 6th plant in the World viz. Mexico, Great Britain, China and Korea. The proposed investment is INR 100 Crores in the 1st phase, INR 100 crores in the 2nd phase (immediately after commencement of the 1st phase) and INR 104 crores in the 3rd phase (by 2022). The project proponent requested the following incentives.

(1) Land allotment at the rate of INR 6 lacs per acre.
(2) 30% subsidy on capital investment, to an extent of at least subsidy amount of INR 30 crores over the next 10 years.
(3) Power subsidy: To grant minimum 30% subsidy on power consumption cost for a period of minimum15 years.

(P.T.O)

(4) To reimburse 100% cost towards incentives for filing patents
(5) To supply 3500 KL per annum of water free of cost for 15 years
(6) Interest subsidy of 5.5% per annum on loan taken through External Commercial Borrowing for INR 250 crores for a repayment period of 10 years.
(7) To provide plain levelled land with 10 feet high compound wall to ensure safe and secure operations of the plant. Approximate cost estimated by GROB is INR 3.42 crores in this regard.
(8) Waiver of property/municipal/local taxes for minimum 15 years.
(9) Waiver of any fees for approvals and licenses.

4. In the reference 4th read above, the State Investment Promotion Committee (SIPC) examined the proposal and discussed in detail and recommended the following incentives to M/s Grob Machine Tools India Pvt. Ltd., Hyderabad.

(1) Land shall be allotted as per the prevailing Andhra Pradesh Industrial Infrastructure Corporation rates.
(2) To provide capital subsidy as per the policy, subject to confirmation from the company that it has defence orders worth at least INR 50 crore or more to qualify as an Anchor Unit as per the Aerospace and Defence Manufacturing Policy, 2015-2020.
(3) To provide power subsidy as per the Industrial Development Policy 2015-2020.
(4) To provide reimbursement of 100% cost of patents upto Rupees Five (5) lakhs for domestic and Rupees Ten (10) Lakhs for international patents as per the precedence.

5. In the reference 5th read above, the State Investment Promotion Board (SIPB) has examined the proposal of M/s Grob Machine Tools India Pvt. Ltd., Hyderabad that the project is expected to generate high quality employment for 400 graduates/engineers and will add significant value to the Aerospace and Defence Sector in Andhra Pradesh. Considering the proposal, and as a special case, decided to extend the following benefits to M/s Grob Machine Tools India Pvt. Ltd.

(1) Allocate land identified in Gudipalli (V), Ananthapur District @ Rs.30 lacs per acre.
(2) To provide capital subsidy of Rs.10.00 crore, subject to confirmation from the company that it has defence orders worth at least INR 50 crore or more to qualify as an Anchor Unit as per the Aerospace and Defence Manufacturing Policy, 2015-2020.
(3) Power Cost reimbursement @Rs.1.00 per unit for 5 years as per the Industrial Development Policy 2015-2020.
(4) Reimbursement of 100 % cost of patents upto Rupees Five (5) lakhs for domestic and Rupees Ten(10) Lakhs for international patents.
(5) All other incentives as per Aerospace and Defence Manufacturing Policy 2015-20.

(Conti..P.3)

6. After careful consideration of the recommendations of the State Investment Promotion Board, Government hereby extend the following incentives under anchor unit status to M/s Grob Machine Tools India Pvt. Ltd as a special case as per the AP Aerospace and Defence Manufacturing Policy, 2015-2020.

(a) Allocate land identified in Gudipalli (V), Ananthapur District @ Rs.30 lakhs per acre.
(b) To provide capital subsidy of Rs.10.00 crore, subject to confirmation from the company that it has defence orders worth at least INR 50 crore or more to qualify as an Anchor Unit as per the Aerospace and Defence Manufacturing Policy, 2015-2020.
(c) Power Cost reimbursement @Rs.1.00 per unit for 5 years as per the Industrial Development Policy 2015-2020.
(d) Reimbursement of 100 % cost of patents upto Rupees Five (5) lakhs for domestic and Rupees Ten (10) Lakhs for international patents.
(e) All other incentives as per Aerospace and Defence Manufacturing Policy 2015-20.

7. The Commissioner of Industries, Andhra Pradesh, Vijayawada and Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Vijayawada shall take necessary action in the matter accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Andhra Pradesh, Vijayawada.
The Vice Chairman & Managing Director, APIIC, Vijayawada
M/s. Grob Machine Tools India Pvt. Ltd, MLR Complex, 4th Floor, Plot No. 32/B, Sardar Patel Nagar, Hydernagar, Kukatpally, Hyderabad through the Commissioner of Industries, Andhra Pradesh through Commissioner of Industries.
The PR& RD (PR) Department. A.P. Secretariat.
The MA& UD Department, A.P. Secretariat.
The Energy, I&I Dept., A.P. Secretariat.
The H.M.& F.W. Department, A.P. Secretariat.
The LET&F Dept., A.P. Secretariat.
The Collector& District Magistrate, Anantapuramu District.
The General Manager, District Industries Centre, Anantapuramu District.
The Zonal Manager, APIIC, Anantapuramu .

Copy to
The Finance (Rev, Ind. & Com. Dept) Department. A.P. Secretariat.
The Revenue (CT) Department, A.P. Secretariat.
The EFS&T Dept., A.P. Secretariat.
The TR&B Dept., A.P. Secretariat.
The Revenue (Registration) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh

(Conti..P.4)

The Commissioner of Commercial Taxes, GoAP, Vijayawada.
P.S. to Principle Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED:: BY ORDER//

SECTION OFFICER